



New Mexico Agricultural
Statistics Service

Weekly Ag Update

Issue 53-02

1-800-530-8810

e-mail: nass-nm@nass.usda.gov

January 6, 2003

INCLUDED IN THIS ISSUE

Hogs & Pigs Agricultural Prices ERS Weather Summary

Available on Internet at: www.nass.usda.gov/nm OR by e-mail (call 1-800-530-8810 for information)

NATIONAL HOG REPORT

NEW MEXICO: Hog inventory for 2002 in New Mexico remained at 3,000 head unchanged from the previous year's inventory. Hogs and pigs for breeding totaled 400 head compared to 500 in 2001. Market hog inventory for 2002 was 2,600, a decrease from the previous year's total of 2,500. Pigs per litter averaged 7.25 compared to the national average of 8.82.

UNITED STATES: U.S. inventory of all hogs and pigs on December 1, 2002, was 58.9 million head. This was 1 percent below December 1, 2001, and 2 percent below September 1, 2002. Breeding inventory, at 6.01 million head, was down 3 percent from December 1, 2001, and down 1 percent from last quarter. Market hog inventory, at 52.9 million head, was 1 percent below last year and 2 percent below last quarter.

Hogs & Pigs: December 1, Inventory, Sows Farrowing, and Pig Crop, New Mexico and U.S., 2001-2002

	New Mexico		United States	
	2001	2002	2001	2002
	-----1,000 Head-----			
December 1 inventory				
All hogs and pigs	3.0	3.0	59,804	58,943
Kept for breeding	0.5	0.4	6,209	6,012
Market	2.5	2.6	53,594	52,931
Market hogs and pigs by				
Under 60 pounds	1.1	1.3	19,908	19,461
60-119 pounds	0.6	0.5	12,924	12,919
120-170 pounds	0.2	0.3	10,744	10,736
180 pounds and over	0.6	0.5	10,018	9,815
Sows Farrowing:				
Dec-Nov ^{1/}	0.50	0.40	11,385	11,429
	-----Number-----			
Pigs per litter:				
Dec-Nov ^{1/}	7.00	7.25	8.83	8.82

^{1/} December preceding year.

AGRICULTURAL PRICES RECEIVED

NEW MEXICO: The December alfalfa hay price, at \$144.00 per ton, was \$1.00 below November but \$11.00 above last year's price of \$133.00. Cow prices increased \$1.60 in December to \$35.70 per cwt. This was down \$3.80 from last December, but was \$1.50 above the U.S. average. Steer and heifer prices, at \$81.30 per cwt., were \$2.00 cents above last month, and 30 cents above last year. This price was \$6.50 above the U.S. average. Calf prices, at \$92.10, were \$1.10 above last month but \$8.90 below last year. The New Mexico calf price was \$1.50 below the U.S. average. Milk prices were \$12.20 per cwt. in December, unchanged from last month but \$1.30 below last December. The U.S. average was \$11.90 per cwt. in December.

Prices Received by Farmers: Selected Commodities, November 2002 and December 2001-02

Prices Received by Farmers. Selected Commodities, November 2002 and December 2001-02					
Commodity	Unit	New Mexico			U.S.
		Dec 2001	Nov 2002 ^{2/}	Dec 2002 ^{1/}	Dec ^{1/}
-----Dollars-----					
CROPS					
Grain Sorghum	Cwt	--	--	--	4.21
Cotton, Upland	Lb	--	--	--	.425
Potatoes	Cwt	--	--	--	6.91
Hay, all baled	Ton	134.00	141.00	140.00	92.60
Alfalfa, baled	Ton	133.00	145.00	144.00	100.00
Peanuts	Lb	--	--	--	.168
Corn	Bu	--	--	--	2.29
Wheat, all	Bu	--	--	--	3.93
LIVESTOCK					
Sheep ^{3/}	Cwt	--	--	--	
Lambs ^{3/}	Cwt	--	--	--	
Cows	Cwt	39.50	34.10	35.70	34.20
Steers & Heifers	Cwt	81.00	79.30	81.30	74.80
Calves	Cwt	101.00	91.00	92.10	93.60
Milk Cow Replacement ^{4/}	Head				
Milk	Cwt	13.50	12.20	12.20	11.90

^{1/} Mid-month. ^{2/} Entire month. ^{3/} November - Entire Month

LIVESTOCK, DAIRY, & POULTRY OUTLOOK

USDA, ERS, December 2002

Dairy Price Recovery Distant Despite Adjustments:

Fundamental adjustments to recent low dairy prices apparently have begun. Expansion in milk production is poised to slow, as fewer producers build new units and more farmers leave dairying. Meanwhile, dairy sales are showing some signs of recovery in response to lower prices and a little economic improvement. Most importantly, growth in cheese use is beginning to pick up.

Price recovery is not likely to come quickly. Although both supply and demand appear to be moving toward better balance, adjustments were slow to begin and give every indication of being quite gradual. Also, the large commercial stocks of milkfat built during 2002 will continue to overhang markets for several months. Unless the pace of changes accelerates quickly, recovery in dairy prices probably will be quite modest even through late 2003.

Milk Production Cresting: Increases in milk production from a year earlier probably have crested. Expansion in milk per cow has slackened compared with the recovering levels of a year earlier. If milk cow numbers merely remain

on the generally flat track they have been on since June, increases from a year earlier will soon start to diminish. Even if rises in milk production start to ease, however, the rises in production are likely to stay substantial through 2003.

Growth in milk per cow has stayed below trend, although output has shown considerable recovery from the quite weak levels of 2001. Milk per cow during July-September rose at only a 1.8-percent annual rate from the 5-year average, similar to the first-half rate. Also, data for the 20 selected States indicated that September-October gains were significantly weaker than earlier. Increases in milk per cow have continued to be erratic in addition to somewhat small.

Lower milk prices and higher prices of concentrate feeds dropped milk-feed price ratios sharply this summer, following very high ratios through 2001 and into early 2002. The milk-feed price ratio does not have as strong an impact on milk per cow as formerly, but producers are likely to be relatively conservative about the concentrate level in their rations. Although projected grain and oilseed prices are a little lower than earlier, concentrate feed

prices in 2003 are still expected to be the highest in 5 years. In addition, prospects for the cottonseed crop are not good.

Milk per cow is projected to rise about 2 percent in 2003, particularly if milk-feed relationships improve as expected as the year progresses. Even so, growth may be somewhat uneven as farmers shift from one batch of forage to the next. In addition, output per cow might be particularly vulnerable next spring. In some past springs, following growing seasons similar to those of 2002, supplies of acceptable forage simply ran out before the new season forage became available, causing a sudden plunge in milk per cow.

Generally strong returns prior to 2002 have boosted milk cow numbers somewhat longer than earlier expected. A wave of new or greatly expanded farms came into production this summer. Meanwhile, exit from dairying has yet to accelerate in spite of sharply lower returns. Weaker farms had more survival cushion than normal after previous years' returns and an incentive to continue milking long enough to receive at least the transition period direct payment. However, these farms are under

considerable income pressure. Returns over concentrate costs will average less in 2002 than at any time since 1991, and further reductions are expected in 2003.

Milk cow numbers are projected to begin slipping soon and might even be below a year earlier by late winter. However, precipitous declines are not likely. Lower returns will slow, but not prevent, further development of new-style dairy farms.

Expansions of existing farms may even be relatively common as smaller producers jump to competitive size. Exits will pick up. Family incomes on many smaller dairy farms will not be competitive with alternatives. However, exits probably will not have a major impact until the second half of 2003. For the year, milk cow numbers are projected to decline about 1 percent.

Increases in milk production are expected to persist throughout 2003. By late in the year, declines in cow numbers could be the sharpest seen in several years. However, milk per cow could be posting significant recovery during the second half, if favorable crop developments lead to lower concentrate prices and more ample supplies of good hay.

2002 CENSUS OF AGRICULTURE

Does Your Farm or Ranch Count?

The 2002 Census of Agriculture is now underway. Your response will help provide official facts representing all U.S. producers and commodities.

Don't be left out when decisions are made about you and American agriculture. Take the time to fill out your report form and return it by February 3, 2003. It's the law.

All the information you give is completely confidential by law.

You Make It Known - Agriculture Counts!

For help completing your census form, call **1-888-4AG-STAT**.

www.usda.gov/nass/

WEATHER SUMMARY

New Mexico experienced a relatively warm, dry week with temperatures averaging between 3 and 4 degrees above normal for the state. Some spots in the Plains and also the north were as much as 6 to 8 degrees above normal. Two very minor storm systems affected the state during the week, producing very little in the way of precipitation. Capulin (.30") and Red River (.21") were the only spots that measured as much as a tenth of an inch.

NEW MEXICO WEATHER CONDITIONS DECEMBER 30 - JANUARY 5, 2002

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	12/30 01/05	01/01 01/05	Normal Jan	01/01 01/05	Normal Jan-Jan
Carlsbad	46.6	69	24	0.00	0.00	0.35	0.00	0.35
Hobbs	43.1	67	23	0.00	0.00	0.39	0.00	0.39
Roswell	43.8	67	23	0.00	0.00	0.43	0.00	0.43
Clayton	39.6	61	24	T	0.00	0.24	0.00	0.24
Clovis	43.8	61	25	0.00	0.00	0.39	0.00	0.39
Roy	37.6	58	25	0.00	0.00	0.34	0.00	0.34
Tucumcari	41.1	63	20	0.00	0.00	0.28	0.00	0.28
Chama	22.3	49	-1	0.02	0.00	1.77	0.02	1.77
Johnson Ranch	29.5	47	10	0.00	0.00	0.67	0.00	0.67
Capulin	31.0	50	11	0.30	0.30	0.40	0.30	0.40
Las Vegas	38.9	59	18	T	0.00	0.32	0.00	0.32
Los Alamos	33.7	50	17	0.00	0.00	0.86	0.00	0.86
Raton	33.4	56	12	T	0.00	0.47	0.00	0.47
Santa Fe	34.1	55	8	0.00	0.00	0.63	0.00	0.63
Red River	25.8	48	-2	0.21	0.21	1.07	0.21	1.07
Farmington	30.5	44	15	0.00	0.00	0.59	0.00	0.59
Gallup	28.2	49	7	T	0.00	0.80	0.00	0.80
Grants	32.7	55	10	0.00	0.00	0.49	0.00	0.49
Silver City	37.0	58	22	0.00	0.00	1.16	0.00	1.16
Quemado	29.4	53	4	0.00	0.00	0.83	0.00	0.83
Albuquerque	39.0	58	23	0.00	0.00	0.44	0.00	0.44
Carrizozo	30.3	63	4	0.00	0.00	0.60	0.00	0.60
Gran Quivera	36.9	60	16	0.00	0.00	0.70	0.00	0.70
Moriarty	35.1	58	10	0.00	0.00	0.43	0.00	0.43
Ruidoso	36.5	60	13	0.00	0.00	1.12	0.00	1.12
Socorro	38.9	62	17	0.00	0.00	0.39	0.00	0.39
Alamogordo	45.2	66	27	0.00	0.00	0.67	0.00	0.67
Animas	43.7	67	25	0.00	0.00	0.68	0.00	0.68
Deming	42.6	66	23	T	0.00	0.56	0.00	0.56
T or C	42.3	62	24	T	0.00	0.46	0.00	0.46
Las Cruces	43.4	69	21	0.03	0.00	0.46	0.03	0.46

(T) Trace (-) No Report (*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.